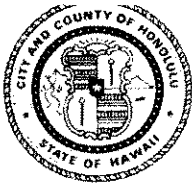


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For Immediate Release
March 19, 2007

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Tax Relief Spurs Affordable Rental Units

Dela Cruz proposes new tax relief for owners of long-term affordable rental units on Oahu

Honolulu, HI: Honolulu City Councilman Donovan M. Dela Cruz introduced Bill⁴¹ (2007) that will provide tax relief to owners of long-term affordable rental units. Dela Cruz, whose district has seen an increase of homeless families in beach parks, is looking at various methods of improving Oahu's affordable housing shortage by providing tax incentives for developing affordable housing.

The bill proposes that the tax assessment on the long-term affordable housing units will not exceed six percent of their previous tax year assessed value. The proposed tax relief bill would apply to affordable housing units with a lease agreement term of one, or more, years and a monthly rent not exceeding 30% of the adjusted income of a family whose annual income equals 120% of the median income for the area.

Determination of a property's qualification under the new bill would be determined by the Director of community services and applications for tax credit will need to be complete by September 31 of the preceeding tax year.

Dela Cruz sees this legislation as one proven way to keep rent down by giving affordable housing landlords a tax break.

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“We must be actively looking at ways to increase affordable units on Oahu, and throughout the state. It’s going to take a range of policy to address the issue – I think this bill is a start,” says Dela Cruz.

Honolulu City Councilman Donovan M. Dela Cruz represents Council District 2, which includes Mililani Mauka, Wahiawa, Whitmore Village, Mokuleia, Waialua, Haleiwa, Waimea, Pupukea, Sunset Beach, Kahuku, Laie, Hauula, Punaluu, Kahana, Kaaawa, Kualoa, Waiahole, Kahaluu, Ahuimanu, and a portion of Heeia.

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